



An Energy Efficiency Workshop & Exposition

Kansas City, Missouri

Buyer Beware: The Only Negotiable Part of the Electrical Bill - Generation

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- Company Background
- Actions of the Regulated Side
- Actions of the Unregulated Side
- Opportunities for the Customer
- Conclusion





Sempra Energy

- Fortune 500 Company Headquartered in San Diego - Domestic & International Operations
- Has both Regulated and Unregulated Companies
- Regulated
 - Located in California
 - San Diego Gas & Electric
 - Southern California Gas Company



- San Diego Gas & Electric Company
 - Does not have any generation capacity
 - “Pipes and Wires” Company (Default Provider or Provider of Last Choice)
 - Currently looking to mitigate current capacity situation by incenting Industry with back-up generation to generate on signal
 - Also looking to add transmission capacity

- Multiple Companies - Domestic & International
 - SE Resources - Merchant Plant development & operation (Generation)
 - SE Trading - Wholesale Commodity Trading
 - SE Solutions - Retail - Operate Nationwide
 - Performance Contracting
 - Commodity Trading
 - Energy Services Outsourcing





Customer Opportunities

- Conservation

- The kWh saved provides the greatest value, saves generation cost and all ancillary costs
- Can be provided through Performance Contracting

- Commodity

- Ever changing environment in California
- Only Certainty - Price will go up!!



- Commodity (cont.)
 - Physical Transactions
 - Actually receive power from other than the LDC (default provider)
 - Financial Transactions
 - Receive power from the default provider, price you ultimately pay is determined independently
 - Self Generation
 - Can provide reliability



- Self Generation (cont.)
 - Can provide additional options to allow customer to control price
 - Buy from Default Provider
 - Meet internal load
 - Conserve, sell excess capacity
 - Can be accomplished through Performance Contracting



- What makes an attractive Customer?
 - Volume through the meter
 - Know your requirements - good records of past consumption & ability to relate to future requirements
 - Flexibility - Risk Taking
 - Fixed Price or Variable Price



- There is a lot of uncertainty
- There are opportunities to mitigate some of the impact
- There is risk associated with any position
- Remain informed
 - Your internal requirements and risk acceptance
 - The market place
 - Agencies and/or Companies that can assist you in mitigating adverse conditions and risk

